

# MONEY MAGAZINE

## Rentals

By [SUSAN JOHNSTON](#)

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Looking to bring in some extra cash this holiday season? With peer-to-peer housesharing sites like Airbnb, HomeAway, and Roomorama growing in popularity, renting out that spare bedroom or second home could be an attractive option. According to [Collaborative Consumption](#), the average New Yorker makes \$21,000 per year renting out their space on Airbnb. Aeronautical engineer Jose Roberto Barros rents out his townhouse in Kissimmee, Fla., and apartment in São José dos Campos, Brazil, through Airbnb and says he's thrilled with the service. Rental fees on the townhouse cover the mortgage, management company, and cleaning costs, so during peak travel months, he makes a profit.

But not all hosts are as happy as Barros. In fact, one Airbnb host in San Francisco blogged about guests trashing her apartment this summer, which prompted the company to announce a \$50,000 guarantee to hosts and a 24-hour customer hotline. If you've considered signing up for one of these services, then consider these tips on protecting your property and maximizing your earnings.

**1. Check your local laws.** Depending on your local zoning laws, charging money for a short-term stay could turn your home into an illegal hotel. "If you're doing a short-term rental, there can be hotel taxes that are supposed to be charged," says Jesse Holland, president of Sunrise Management & Consulting in Albany, N.Y. "You're actually running a business."

For renters, housesharing can get into even more gray areas. As a property manager, Holland says he's concerned that guests aren't vetted by landlords the way a tenant would be, and that extra guests increase his expenses for things like water, sewage, and trash removal. Depending on the terms of your lease, your landlord may have the right to evict you. "Our leases say you cannot have a guest for more than a certain number of days, and so you could be in default of your lease," he explains. Also note that the money you earn from housesharing is generally taxable.

**2. Screen your guests.** Housesharing sites offer features like linking to someone's Facebook profile, messaging or calling prospective guests, and reading guest reviews or recommendations before you approve their reservation. Barros says he likes to call prospective guests using Airbnb's Voice Connect feature before they book to ask how they plan to use his property. "Partying in our properties is the main fear that owners have," he explains, adding that he's denied a couple of reservations for this reason. Calling guests also eliminates any questions they might have about the property, so Barros finds that this is good way to seal the deal and put them at ease. A few guests have asked Barros if they can communicate with him and make a reservation outside of the website to bypass booking fees, but Barros prefers letting the site manage his payments and communications with guests. "Airbnb charges the guests security deposits, so they don't have to send checks," he explains. "It gives me protections as a host. In case there's ever a problem, they're storing our messaging."

**3. Set some ground rules.** Whether you're renting out a property remotely like Barros or letting guests crash on your couch, you'll want to set expectations for guests by posting the house rules on your listing. For instance, Barros charges a \$250 fee for smoking in his property. In one instance, a guest complained that one of the bedrooms smelled like smoke, so Barros called Airbnb and they assessed the fee. Barros' house rules also state that he does not allow early check-in or late check-out because the cleaning service needs time to turn over the space. One guest wanted to check in at noon, so Barros suggested the guest hang out in the clubhouse until the cleaning crew finished. "I told him 'it would be damaging to my image and it's not a good experience for you,' so he understood," he adds.

**4. Find the right price.** These services let hosts determine the amount they charge, so you'll want to do a little homework before you arrive at a price. Set it too high and guests may choose other options. But set it too low and they'll think there's something wrong with the property. Barros looked at what other properties in the other area charge and also factored in his expenses and the property's amenities. Depending on the location, seasonality may also play a role in pricing. "October and September are hard to book in Florida, because September is hurricane season," says Barros. "But at Thanksgiving and Christmas, you can charge more."

**5. Promote your property.** Housesharing sites are a competitive marketplace, so the more detailed your listing and the clearer your photos, the better. Barros initially shot his own photos and guests commented on how the property was nicer in person than expected. But after he tweaked his description and Airbnb sent a photographer to shoot verified photos (which the site uploads—the owner can't PhotoShop or otherwise alter the images), his bookings improved. "The photographer gives me credibility," he says. Barros also makes an effort to quickly answer questions, which several guests noted in their reviews. "As soon as I have a message from a customer, I reply," he says. "I have the flexibility now that you have cell phones with Internet. I always try to be polite and anticipate their needs."

## Short Term Rental Zoning Rules Range from Strict to None

When it comes to short term rental zoning, communities have to decide on a policy what fits their history and ideals. This issue arises where tourists or a transient population are interested in temporary rentals of single-family residences, without the owner being on the premises. Often the question is handled through the zoning ordinance, but sometimes a stand-alone ordinance may be enacted governing the conditions under which such a land use is permitted. Often the short term rental zoning provisions define short term as less than 30 days. The same concept may be called transient rentals, or short term transient rentals. A few examples of a seasonal zoning regulation have been found as well, in which different regulations apply if the rental is for more than 30 days but less than 180 or so.

If the zoning ordinance is where short term rentals are regulated, the ordinance of course will spell out which zoning districts allow such a use. Sometimes ordinances require a special use permit, which usually leads to a level of public hearings and action by the governing body equivalent to the process required for a rezoning. In any event, the zoning ordinance is likely to set forth standards for short term rental zoning. Topics regulated might include:

- Posting or availability at the town hall of one or even two **local** contact persons who will be responsible for handling any problems that arise with the property. We think this is the most important regulation, and one that should be strictly enforced.
- Requirements for providing off-street parking.
- Noise and nuisance provisions, or reference to other ordinances addressing such situations.
- Requirements that garbage collection be maintained, and limiting the hours before and after collection when the garbage receptacles can be in front of the home.
- Limitations on the spacing between short term rentals. A particular interval of feet may be used to assure that an entire block does not turn into a short term rental district.
- Reinforcement of the normal occupancy limits (number of persons who may live in the home) for a particular zoning district as applying also to short term rental tenants.
- Proof of code compliance, fire safety measures, adequate water and sewer service, or other utilities or infrastructure that may be of particular concern.
- Requirements for notifying neighbors, or even for their agreement.
- Limitations on the turnover. Renting to six different tenants within a month probably won't be allowed. There may be a minimum stay, perhaps of a week.
- Limitations on particular areas of the town or city where short term rental either is not allowed at all or is not restricted. Such statements within a zoning ordinance would amount to establishing an overlay district pertaining just to the subject of transient rentals.

If the rental of homes for a short time is not covered in the zoning ordinance, or the town or city does not have a zoning ordinance, a separate law sometimes is enacted. Probably it would deal with the same

types of limitations and requirements described above, as considered appropriate and necessary by the local government.

In the case of both short term rental zoning and free-standing transient rental regulations, many communities connecting [tourism and economic development](#) have a tendency to begin with minimal regulation and to add requirements on the basis of particular problems that arise. If the town becomes divided over the issue, however, of course the regulations are likely to be more strict and more creative. Still other towns choose to ignore the issue that some residents or property owners rent out homes for a very short term, considering this practice to be the prerogative of the property owner. Particularly in an unattractive real estate market, allowing short term rental zoning is probably not a bad idea, as long as the percentage of the housing stock devoted to this use is small. Our advice would be to require a stay of at least five days and preferably seven

## GOOD MORNING AMERICA

### Airbnb: Towns Crack Down on Homeowners Who Take Guests

Sept. 9, 2013

By ALAN FARNHAM via [Good Morning America](#)

The L.A. community of Silver Lake has pushed back against Airbnb.

Are homeowners and renters breaking the law when, to make some extra money, they charge strangers for staying overnight on their couch or in an extra bedroom? A growing chorus of critics—including landlords, municipalities, neighboring homeowners and local B&Bs—claim that yes, they are. They want to crack down on sites including [Airbnb](#), which facilitate short-term stays by bringing hosts and guests together. Such facilitation has become big business.

By its own account, Airbnb's growth has been exponential. It booked 10 million guest-nights in June 2012, up from half that number six months before. It now lists lodgings in more than 30,000 cities in 192 countries. It makes money by collecting a percentage of what the guest pays and the host receives. Silver Lake, a neighborhood of Los Angeles, is the latest to cry foul. [According to the L.A. Times](#), a committee of the Silver Lake Neighborhood Council heard complaints from locals worried about safety issues and traffic stemming from an increase in local transient guests.

The news site [Eastsider LA](#) says a recent check of Airbnb showed more than 200 listings for short-term lodgings in Silver Lake, ranging from a shared studio apartment for \$60 a night to a two-bedroom house with pool for \$425 a night. Council member Anne-Marie Johnson told the Times that such arrangements violate local zoning laws, which prohibit rentals shorter than 30 days, except for hotels and licensed bed-and-breakfasts. Addressing the belief that hosts are taking in the occasional guest in order to help pay their mortgage or otherwise defray living costs, Johnson told the Times: "People have jumped into that urban myth: 'We had to do it or we wouldn't survive.' Then why not run a bordello? If you're really upside down in your house, then have an escort service run out your house. Where does it end?"

She and other critics contend that many Airbnb hosts are running what amount to hotels, without paying the applicable fees or taxes, or abiding by the applicable regulations. They cite examples of owners who have subdivided their properties into multiple tiny units, to accommodate and profit from transient guests.

Cities including Yountville, Calif., Sedona, Ariz., and New Orleans have passed rules against property owners charging rent for short-term stays.

New Orleans City Business says local ordinances prohibit unlicensed property owners from renting to anyone for less than 60 days in the French Quarter and less than 30 days elsewhere in the city. It quotes a member of the Professional Innkeepers Association of New Orleans, which represents 55 B&Bs, as saying she doesn't object to competition from amateurs, she just wishes that amateurs had to pay the same fees and taxes as licensed B&Bs. Then both would have a level playing field.

In San Francisco, where Airbnb is headquartered, the San Francisco Apartment Association, an advocacy group for landlords, has its own bone to pick. Janan New, the group's executive director, tells the New York Times that, moving forward, the association's policy will be to evict tenants who take in short-term paying guests. "I believe [Airbnb] should have the social responsibility to disclose what the laws are in the jurisdiction that they're in," the Times quotes New as saying.

Molly Turner, director of public policy for Airbnb, tells ABC News that the company's website explicitly informs prospective hosts that they have an obligation, before signing up with the site, to find out what local laws and regulations permit and what they prohibit. "In many cities," says [Airbnb's advisory](#), "you must register, get a permit, or obtain a license before you list your property or accept guests. Certain types of short-term bookings may be prohibited altogether." By accepting Airbnb's terms of service, it declares, "You certify that you will follow your local laws and regulations." Turner says further that Airbnb has commissioned studies by HR&A, a real estate and economic development consulting firm, to document the demographics of both hosts and guests, and to measure guests' economic impact on the communities where they stay. Reports already are out on San Francisco and Paris. Another--on Amsterdam--soon will be forthcoming.

According to the [San Francisco study](#), Airbnb guests contributed \$56 million to the local economy between April 2011 and May 2012, of which \$43 million was spent at the neighborhood level on local businesses. That spending occurred in neighborhoods that had not previously benefitted from tourist spending. That's because 72 percent of guests stayed outside the central hotel corridor, in neighborhoods "off the beaten path." **The study says 90 percent of hosts take in visitors only on an occasional basis. Hosts use nearly half of the resulting income to defray their rents or mortgages, or to pay their utilities or other domestic bills.**

"It's very clear from the data," Turner agrees, "that we're helping the middle class to be able to afford to stay in San Francisco and in their homes by providing additional income. Upwards of 80 percent of hosts are renting because they need to make ends meet. In San Francisco, a huge percentage of hosts are below the local median household income. A majority are low-income. They rely on this. As for the guests, a lot say they would not have come to the city or spent money if they hadn't been able to find a host. **Compared to hotel guests, they visit more frequently and stay longer; they also spend more money in total than do hotel guests.**"

**They're not frugal, she says. It's only that they choose to spend their money on things other than \$900 a night hotel rooms. With the money saved, she says, "They patronize the local café, the neighborhood restaurant."** Thanks to Airbnb, neighborhoods and small businesses that have never before benefitted from tourist spending now do. "We have a great relationship with B&Bs," Turner insists. Many B&Bs use Airbnb to find guests, she says. Nor are big hoteliers worried. "They see we have a very different business model from theirs."

Asked if she is seeing any organized, national opposition to Airbnb, she says, "No, not yet. The concerns we hear are very, very local. People see something different happening in their neighborhood, and they want to control it. Our concern is to have people understand what's really going on." Airbnb, she says, is not against communities like Silver Lake taking steps to control short-term rentals. "We applaud them for that," Turner says. In fact Airbnb (along with HomeAway, FlipKey and TripAdvisor) has established a website called the [Short Term Rental Advocacy Center](#) (STRAC) to assist communities trying to regulate the practice. According to

the website, STRAC "compiles the best data and resources available for use in understanding the impacts and advocating for the smart regulation of short-term rentals."

## AUSTIN WEBSITE

### Fixing the Austin STR ordinance: #1 cast a smaller net

I'm writing about problems with Austin's **short-term rental (STR) ordinance** and what City Council could do to make the ordinance more reasonable and therefore more workable. In this post, I look at the breadth of the ordinance; in other words, who is affected? In trying to address a fear that STRs will spread far and wide and become nuisances, Austin's STR ordinance casts a wide net — snagging a great many Austinites who want to rent their rooms or homes once or twice a year for short periods of time. Under the law, the same process applies if you want to rent your home for a weekend or for 365 days a year.

Let's look at who the law covers. The current version of the ordinance applies to any residential single-family home rented for less than 30 consecutive days. Under the law, single-family homes rented for one day or more become short-term rental uses under the zoning code. In other words, in terms of zoning, an Austinite who rents his or her home one day or more a year no longer has a single-family residential home like their neighbors. They are now a short-term rental use. As such, they have to pay the annual registration fee of \$285, complete an inspection (unless they have a CO), notify their neighbors, and show proof of paying state and local hotel taxes.

One of the easiest ways to make the STR ordinance reasonable and workable would be to cast a smaller net. Exempt from the ordinance any homes that are rented for less than 15 days a year. **True, anyone who rents for any amount of time must pay state and local hotel taxes. But the IRS considers a property rented for less than 15 days a year a personal rental, and not a rental for profit (meaning there are more limits to the expenses you can deduct).** This could make a good cut-off for the City's mandatory registration process, recognizing the distinction between a home that happens to be rented for a short period and a rental property. Adding a minimum number of rental days to the ordinance would allow people to rent their homes for SXSW and/or ACL without going through the cumbersome registration process and yet would still require registration of those properties that truly have short-term rental uses.



## WALL STREET JOURNAL

### When Homes Become Hotels Short Stays, Lengthy Fights

**Vacation Rentals Prompt Complaints and Bans, Spur Debate Over Property Rights When Homeowners Become Hoteliers, Some Neighbors Bristle at Noise, Nuisance**

WSJ: November 2012

Renting a private home while on vacation, rather than paying for a hotel room, has skyrocketed in popularity in recent years, leading to a backlash from neighbors and prompting places from New York state to tiny Columbia Falls, Mont., to ban or restrict the practice. Now there is a backlash to the backlash—and a deep philosophical divide between property rights and neighbors' rights. On one side are homeowners who embrace the trend, along with the growing number of listing services that cater to the short-term-rental industry. On the other are neighbors who are also homeowners.

The number of Americans renting their homes to strangers has been driven in part by the weak economy, the housing bust and the Internet. In some cases, cash-strapped homeowners are renting their properties to supplement their incomes and to keep from falling into foreclosure. Home-rental listing sites, such as [HomeAway](#) and Airbnb, have aided the trend by providing a service that allows homeowners to advertise their properties, essentially turning their homes into pop-up motels.

In Sedona, Ariz., a lawsuit that challenged the city's ban on short-term rental advertisements was recently returned to Superior Court after the state's Supreme Court declined to review the lower court's decision. Courts ruled earlier this year against a Fort Lauderdale, Fla., regulation that prohibited short-term rentals in residential neighborhoods. In most places, a short-term rental is defined as lasting less than 30 days.

Such efforts are about to get more ammunition: A group of short-term rental-listing sites, including HomeAway and FlipKey, are creating an industry group that aims to institutionalize the practice by pushing cities to tax and regulate short-term rentals. Carl Shepherd, chief strategy and development officer for Austin, Texas-based HomeAway, said the group—which is creating a website and is likely to be a nonprofit funded by the industry and short-term rental owners who join—will push cities to enact "light" regulations that steer clear of license and zoning changes but make it easier for municipalities to identify short-term rentals and collect occupancy taxes from them. It will also have more firepower to aid homeowners that are lobbying or litigating against such bans. "We want this industry to be a valid choice for travelers, and simply want the legitimacy that comes with appropriate and fair regulation," Mr. Shepherd said.

In the past few years, real-estate investors have become an outsize chunk of homeowners, and many have found it more profitable to rent homes by the week instead of the month. In a 2011 survey by the National Association of Realtors, some 91% of vacation-home buyers said they planned to rent their property to either long- or short-term renters. Vacation-home rentals have claimed a small but growing share of travelers. PhoCusWright, a travel-research company, said 11% of U.S. travelers rented a vacation home in 2011, up from 9% in 2009.

The real-estate bust is part of the reason Indio, Calif., decided to regulate—rather than ban or curb—its short-term market. The desert city 120 miles east of Los Angeles is home to a number of festivals, including the Coachella Valley Music & Arts Festival, and residents can make tens of thousands of dollars in rental fees in just a few weekends, Mayor Glenn Miller said. In February, the city passed a law requiring people offering short-term rentals to get business licenses, register with the city and pay the same taxes as hotels. Mr. Miller said the city has collected \$250,000 of tax revenue. "A lot of these people are upside-down on their homes, and this gives them an opportunity to rent it," he said. But the mayor added that if neighbors complain about noise or parking, "we can cite the owner and pull the license." **Still, other places are pushing for bans because the growth of short-term home rentals has prompted complaints from neighbors about noise, parking problems and a revolving cast of characters on quiet streets where residents value stability.**

Dana Point, Calif., an Orange County beach town, is among the many where a move to curb short-term rentals has sparked a debate over the rights of those offering such lodging and the rights of their neighbors. **For years, Dana Point has banned short-term home rentals. But the rule has long been ignored, in part because the practice wasn't widespread enough for the city to bother enforcing it,** Mayor Lara Anderson said. But over the past year, council meetings have filled up with people like Gary Clark, a retired firefighter and 66-year-old surfer who said his neighborhood has become louder and busier because of short-termers. Mr. Clark lives three blocks from the beach on a street of single-family houses. He said two nearby homes routinely are rented by vacationers, and they attract a younger crowd who clog the parking and keep neighbors up with loud music and heavy drinking. **"They're unregulated motels: We have no say on who is living next door to us for a week,"** Mr. Clark said. **"At least with a hotel or motel, you have security. You've got regulations. These things have absolutely no supervision whatsoever."**

On the other side of the street—and the debate—is his neighbor, Emily Chase Smith, a lawyer who rents her home for \$1,800 a week when she is away. Ms. Chase Smith, who stays in short-term rentals herself when vacationing, **said she mostly rents her home to families and has no record of the police ever visiting for noise problems.** She has a warning for Dana Point: **"If they try to enforce the ban, the city is going to buy a lot of legal trouble. There are people for whom this is a big deal [financially]."** Moreover, she added, **"it's a normal use of property around the world. People aren't going down without a fight."**

Ms. Anderson, for her part, favors enforcing the ban. **"Had we not had the law on the books and these things were operating legally, that would be one thing where you talk about a compromise,"** she said. **"But we do have a law, and residents have an expectation. I don't think we have a choice."** Fellow council members disagree, and their staffers are designing a program—to be presented this month—to regulate and tax short-term rentals.

# MADISON, WI NEWSPAPER

## Madison to regulate short-term rentals as business sets sight on football weekends

A business new to the Madison area is encouraging residents to cash in on Badgers football games by renting out their homes to visitors on home-game weekends, just as city officials are looking to regulate the practice. Partners and staff at [University Football Rentals](#) say a homeowner can make \$1,500 to \$2,000 or more tax-free per weekend, and the company will do most of the work involved with getting the house rented. “Our primary focus is on (homeowners who are) junior professors, university employees, graduate students, where that kind of money really moves the needle,” said Dan Willenborg, director of business development for the company, which helps arrange short-term rentals in a few college football cities around the country through its website and a small Chicago office.

In South Bend, Ind., where the company started in 2006 and where it still does 90 percent of its business, more than 150 homeowners have earned more than \$1 million over the past two years renting their homes for Notre Dame football games, according to Willenborg and company partner Mike Doyle. A recent look at [Madison Football Rentals](#), the company’s local website, showed the same three or four homes signed up for each of this season’s seven home games, plus next spring’s graduation.

Little more than a week before the Badgers opener Aug. 31, the closest home listed was 1.87 miles away from Camp Randall Stadium — a five-bedroom house with quarters for up to 12 people, according to the listing. The homeowner was asking \$2,500 in rent for the typical weekend stay of 5 p.m. Friday to Sunday noon, and the company would get a standard 15 percent of that. There were no actual bookings as of Wednesday, but company leaders didn’t sound worried. “We’d like to have at least 10 homes rented in Madison,” Willenborg said. “That gives a good selection. Once we get over 20, word of mouth starts to take over.”

Count Julia Kerr, co-president of the Vilas Neighborhood Association, and Ald. Sue Ellingson, District 13, among the skeptics. Their homes were papered with flyers about the company when Willenborg and Doyle visited a few weeks ago to canvass neighborhoods and try to drum up business. “I would be kind of surprised to see long-term homeowners in Vilas making their houses available for this purpose,” Kerr said. “It is a bit hard to picture.”

Ellingson and five other council members are sponsoring new legislation that would regulate short-term rentals in Madison. They’re holding what they called a “listening session” on Sept. 5 to get public input.

The proposed measure would require homeowners who want to do short-term rentals to get a conditional use permit for a new zoning classification to be known as a “tourist rooming house.” Getting a permit would require a public hearing, and an approved permit could be revoked if there were problems. The proposal also would require short-term rentals to be at least 500 feet apart, which would limit their numbers.

The measure also would require short-term-rental operators to pay the city’s room tax and get a license from the public health department, just as hotels must do.

"The idea is to create a framework to ensure that people can do this legally, but also provide for some regulation around it," said Ald. Mark Clear, 19th District and a co-sponsor of the proposal. "It's not clear to me whether it's legal or not now. I'd say at this point (companies facilitating short-term rentals) are in that gray region."

The ordinance also would apply to short-term rentals through other popular websites such as Airbnb and VRBO (Vacation Rentals by Owner). Clear said council members, believing some amount of the activity already is going on, had been informally discussing the issue for months with city staff before University Football Rentals came to town. "We wanted to find a way to make these rentals legal, but also give neighbors some say in the process," said co-sponsor Ald. Marsha Rummel, 6th District. "Many of us have heard concerns about safety and neighborhood integrity as short-term rentals proliferate."

Doyle said his company would work with Madison officials to get all the necessary information about any new rules to homeowners who list with them. He said the company has run into similar regulations elsewhere, including State College, Pa., home of Penn State University, where city officials required a permitting system similar to the one Madison is considering. "We don't want this to be a confrontational thing," Doyle said. "It's really just an information issue. We want to figure out what we need to do, and what we need to pass on to our homeowners, to make sure they're doing everything the right way." Clear said he understands the push for a service providing short-term rentals. "It seems like a decent idea," he said. "Home football games are obviously a time when hotels fill up and there's lots of opportunities. It makes sense."

Willenborg said that need was the driving force behind the company, which was started by three Notre Dame graduates who had trouble finding good places to stay when they returned for football games in South Bend. The company now arranges about 100 rentals in South Bend on a big game weekend. "The real over-arching focus of our company is on solving the lodging infrastructure problem in small towns that have multiple, huge events," Willenborg said.

Jason Salus, president of the Greater Madison Hotel and Lodging Association, said he and other local hotel operators object to short-term rentals on grounds that they are "unlicensed, untaxed and unregulated" and said he didn't think there was a need for them. "We're not bursting at the seams," he said, noting city hotels normally run at about a 60 percent occupancy. "There are a few nights when that happens, but I don't see any guarantee that these rentals will only be open on those nights."

Read more: [http://host.madison.com/business/madison-aims-to-regulate-short-term-rentals-as-business-sets/article\\_adc88cc6-ccbc-5e64-8a0b-3c373d2aac78.html#ixzz2ozrHKGUz](http://host.madison.com/business/madison-aims-to-regulate-short-term-rentals-as-business-sets/article_adc88cc6-ccbc-5e64-8a0b-3c373d2aac78.html#ixzz2ozrHKGUz)

## NEW YORK TIMES

### As Short-Term Rentals Boom, Regulation an Issue

By [Melissa Maynard](#), Staff Writer

Popular short-term rental websites like Airbnb, FlipKey and HomeAway are making it easier for property owners to rent out their homes to travelers looking for a place to crash. Those three companies now have more than a million listings for everything from spare bedrooms to luxurious oceanfront villas.

But the surging popularity of these casual short-term rentals is generating an array of complex questions for state and local lawmakers. Among them: Should these hosts pay licensing or registration fees? Will short-term rentals detract from the character of residential neighborhoods? Should these properties be regularly inspected or have overhead fire sprinklers or offer onsite parking? Too much regulation could drive up prices and prevent frugal travelers from visiting a locality at all. But too little could expose guests to dangerous situations and create unfair competition in the tourism industry. The political dynamics around the issue are shifting as the sector grows and the hotel and bed-and-breakfast industries grow more concerned about these rentals cutting into their business.

Many states and cities already have laws on the books that could spell trouble for casual short-term rental owners if enforced, from zoning laws and building codes to laws governing hotels and bed-and-breakfasts. Many lease agreements and condo associations also ban such arrangements. Any state law or regulation that applies to a hotel could be interpreted to apply to a short-term rental depending on how the definitions are written, said Janelle Orsi, director of the Sustainable Economies Law Center. For example, the California Health and Safety Code “has regulations on things like hand towels, swimming pools, restrooms, playgrounds, rodents, fire retardant hotel furniture ... regulations that the average citizen is probably not researching before renting a room to a traveler,” she said.

Despite the laws, however, short-term renters continue to pay the websites to post their properties. Airbnb warns potential hosts that many cities have restrictions that could prohibit them from renting their space or require them to register or get a license. By agreeing to Airbnb’s terms and conditions, hosts agree to follow all relevant local regulations and pay relevant taxes. But they don’t always heed that advice. A judge ordered Nigel Warren, an Airbnb host in New York City, to pay \$2,400 in fines in May under a 2010 state law. The law authorizes New York City to take enforcement action against illegal hotel operations and applies to residential condo and apartment buildings that are being rented out for less than 30 days. This was the strictest interpretation of the law to date. The judge rejected the argument that the visitor should be exempted because one of the regular residents was home at the time of the rental. “(The exception) does not apply to complete strangers who have no, and are not intended to have any, relationship with the permanent occupants,” the decision says.

David Hantman, head of global public policy for Airbnb, said in a [statement](#) that the ruling should not be interpreted to mean that every Airbnb listing in New York is illegal. “We believed, and still believe, that as long as a host is present during a stay, the stay is legal,” he said.

New York state Sen. Liz Krueger, who sponsored the 2010 New York law, said in a [statement](#) that the state's law and the city's enforcement system were designed to target large, ongoing illegal hotel operations rather than people like Nigel Warren. But Krueger, a Democrat, did not let Airbnb off the hook. "The real problem here is the devil-may-care attitude companies like Airbnb have taken toward the legal consequences for their users," she said. "Companies like Airbnb or Flipkey are recruiting private citizens into their business model without sufficiently warning them that it may not be legal and could even lose them their homes. That's pathologically irresponsible."

**Doug Coates, director of the Oregon Association of Vacation Rentals and author of a blog on vacation rental regulations, said he would like to see more states follow Florida, which passed a law in 2011 that prohibits local governments from banning short-term rentals. He is working with Oregon legislators on the issue and hopes to see a bill modeled after Florida's law pass next session.**

Meanwhile, the industry is putting forward its own ideas for regulation through a new Short Term Rental Advocacy [Center](#) created by Airbnb, HomeAway, TripAdvisor and FlipKey in February. The goal is "smart short-term rental regulation that safeguards travelers, alleviates neighborhood concerns and provides a framework for ensuring compliance."

The center points to an ordinance that Palm Desert, California, put in place in 2012 as "the right approach." Palm Desert had earlier required a three-day rental minimum and permits costing \$500 or more, with mandatory public hearing for all applications and an annual cap on rentals. Its new policy requires only short-term rental permits for properties that are rented for 27 days or less a year, with an application fee of \$25 per property.

But passing a local ordinance can be easier said than done, even when the industry itself is asking to be regulated. The city of Ocean Springs, Miss., has been debating an ordinance that would require registration and basic inspections, but appears stalled because of disagreements about possible additional requirements.

Beth Riley, who rents out two Ocean Springs vacation homes through the website VRBO.com, said she supports the proposed ordinance because it would provide her more clarity and security. "A neighbor couldn't just make a complaint and shut you down," she said. "It sets a standard."

## **SARASOTA FLORIDA**

**Short-Term Rental** in the RMF District on the Barrier Islands. In the RMF Districts, **short-term rental** of single-family, two-family, townhouse or multifamily dwellings is permitted only on the Barrier Islands in accordance with the use table in [Section 5.1](#), subject to the following standards:

1. Such dwelling units may be rented for periods of less than 30 days.
2. The owner or managing agent of real property that is offered for rent or lease shall maintain records, including the names and addresses of the lessees, that are adequate to establish the period for which a unit is rented and the number of family members or unrelated individuals occupying the premises during each rental period.
3. All of the additional requirements of the Siesta Key Overlay District (SKOD), Section 4.10.4, shall apply.

*h. Recognition of Certain Existing **Short Term Rental** Rooms in the RMF Districts on the Barrier Islands.*

1. The Board of County Commissioners will recognize and allow as lawful under these zoning regulations certain short-term room rental units in the RMF Zone Districts on the barrier islands that were in existence prior to September 30, 2003. For purposes of this section, a short-term room rental unit is a room or group of rooms in a structure zoned RMF on the barrier islands rented or leased as a distinct unit for periods of less than 30 days. To qualify for recognition, the applicant must demonstrate with clear documentation such as photographs, receipts, ledger entries, tax records, and accounting records, that the short-term room rental unit:

- i. Was in existence and use as a **short-term rental** room unit on September 30, 2003;
- ii. Was lawful when it came into existence as a short-term room rental unit, with or without access to a common area in the structure shared by the room rental units;
- iii. Was lawfully permitted and constructed. If not constructed pursuant to proper building permits, then a building permit and certificate of occupancy must be issued before the room rental unit may qualify under this criteria;
- iv. Has cooking or refrigerating amenities and appliances in the room rental unit, that were lawful for the room rental unit at the time they were installed; and
- v. Has been rented, leased, or occupied for compensation as a short term room rental unit for more than a total of 30 days between October 1, 2002, and September 30, 2003.

An applicant shall apply for recognition under this program no later than 90 calendar days after October 27, 2003. Thereafter, the County shall not accept an application for



relief under this program. An application must be processed by the County within 90 calendar days of receipt of an application and the application may be approved, approved with modifications or denied. Thereafter no additional short-term room rental units shall be allowed.

2. If the applicant establishes compliance with the foregoing criteria, then a certificate of compliance with this section will be issued and the **short-term rental** room unit will be recognized as lawful for purposes of these zoning regulations.

3.A **short-term rental** room unit shall remain lawful, provided:

- i. The room rental unit is not divided to create additional registered room units;
- ii. Appliances and amenities for the preparation or refrigeration of food in the room unit do not include any significant cooking appliance other than a refrigerator, microwave oven or a cooking surface that does not contain more than the number of burner surfaces at the time of the certification. The certification of room rental units shall document the cooking appliances in each room rental unit. After certification no additional cooking appliances or expansions of cooking appliances shall be allowed in room rental units.
- iii. The room rental unit complies with these zoning regulations and any other County regulations.

4. Certified **short-term rental** room units may be reconstructed in the case of the destruction of the short-term room rental units caused by a catastrophe, provided that the cumulative square-footage of the structure in which the short-term room rental units were located is equal to or less than the square-footage of the prior structure and the total number of reconstructed short-term room rental units does not exceed the number of certified short-term room rental units.

5.A **short-term rental** room unit certificate shall be issued only if the owner consents to inspections by Sarasota County Code Enforcement officers during normal County business hours to confirm compliance with subsection 3., above. Both the certification inspection and subsequent inspections for continued compliance shall be on reasonable times and days, upon reasonable notice to the owner or the owner's agent, consistent with the intent to assure compliance. If reasonable requests for inspection are made and the owner or agent refuses access to the unit on three consecutive requests for access on three different days during a period of ten calendar days, the **short-term rental** room unit shall lose its recognized status and shall be unlawful. Thereafter, the room rental unit shall not qualify for a certificate under this section.

6. The number of certificates issued for a property shall cap and limit the number of **short-term rental** room units allowed on the property under these zoning regulations.



## **Colorado Springs - Zoning and Building Codes**

Short-term rentals are allowed in any zone where single family or multi-family residential uses are allowed. Short-term rentals must also meet the occupancy requirements as defined by the International Building and Fire Codes. For more information on occupancy type, you may call the Regional Building Department at (719) 327-2880. Finally, no signage identifying the property as a short-term rental is permitted. The intent of this regulation is to ensure compatibility between short-term rentals and the surrounding neighborhoods. For more information on how to obtain the zoning of your property, consult DAB 201 or contact the Land Use Review Division at (719) 385-5905.

**Tax Collection** - Short-term rental owners or managers must obtain a sales tax license. Owners or property managers must collect both sales and lodging or LART tax for each stay of less than 30 days.

**Neighbors** - If you live next to a short-term rental and you experience problems, call property owner or management company first. Even though renters may be on vacation or from out of town, they must still abide by the City's nuisance laws. To report violations, contact the City of Colorado Springs Police Department at (719) 444-7000.

**Be Neighborly** - Before starting a short-term rental, it is a good idea to talk to the neighbors. Give them contact information so they may call you if they experience problems with your short-term renters or if they see something suspicious at your property. It is also a good idea to have someone available to respond to potential problems as they arise. If you will be out of town, make arrangements with a friend, business associate, or property management company to make sure someone will be available at all times. Also, ensure your short-term renters know they are renting a home in a neighborhood and let them know you expect them to conduct themselves

## **Air B&B Opinion Piece**

In a recent article on the potential and problems of this new trend the author noted:

*"I know someone who is able to afford the house she owns in a gentrifying area of Queens through AirBnB rentals of her spare bedroom. I was fascinated by the listing of a woman in Chicago who appears to be running what works out to a small hostel in her residence in a decidedly non-posh neighborhood, with international guests gushing about all the people they met while staying there and the value of getting out of the tourist areas of the city. Admittedly, I did get the feeling that in one city that I was possibly part of a chain of guests subsidizing a single college student living in a large apartment that could easily have fit a family. And I did wonder how the neighbors felt about him having a lockbox with his keys in the stairwell of their building, and buzzing people in remotely."*

## Short Term Rental Zoning Rules Range from Strict to None

When it comes to short term rental zoning, communities have to decide on a policy what fits their history and ideals. This issue arises where tourists or a transient population are interested in temporary rentals of single-family residences, without the owner being on the premises. Often the question is handled through the zoning ordinance, but sometimes a stand-alone ordinance may be enacted governing the conditions under which such a land use is permitted.

Often the short term rental zoning provisions define short term as less than 30 days. The same concept may be called transient rentals, or short term transient rentals. A few examples of a seasonal zoning regulation have been found as well, in which different regulations apply if the rental is for more than 30 days but less than 180 or so. If the zoning ordinance is where short term rentals are regulated, the ordinance of course will spell out which zoning districts allow such a use. Sometimes ordinances require a special use permit, which usually leads to a level of public hearings and action by the governing body equivalent to the process required for a rezoning. In any event, the zoning ordinance is likely to set forth standards for short term rental zoning. Topics regulated might include:

- Posting or availability at the town hall of one or even two **local** contact persons who will be responsible for handling any problems that arise with the property. We think this is the most important regulation, and one that should be strictly enforced.
- Requirements for providing off-street parking.
- Noise and nuisance provisions, or reference to other ordinances addressing such situations.
- Requirements that garbage collection be maintained, and limiting the hours before and after collection when the garbage receptacles can be in front of the home.
- Limitations on the spacing between short term rentals. A particular interval of feet may be used to assure that an entire block does not turn into a short term rental district.
- Reinforcement of the normal occupancy limits (number of persons who may live in the home) for a particular zoning district as applying also to short term rental tenants.
- Proof of code compliance, fire safety measures, adequate water and sewer service, or other utilities or infrastructure that may be of particular concern.
- Requirements for notifying neighbors, or even for their agreement.
- Limitations on the turnover. Renting to six different tenants within a month probably won't be allowed. There may be a minimum stay, perhaps of a week.
- Limitations on particular areas of the town or city where short term rental either is not allowed at all or is not restricted. Such statements within a zoning ordinance would amount to establishing an overlay district pertaining just to the subject of transient rentals.

If the rental of homes for a short time is not covered in the zoning ordinance, or the town or city does not have a zoning ordinance, a separate law sometimes is enacted. Probably it would deal with the same

types of limitations and requirements described above, as considered appropriate and necessary by the local government.

In the case of both short term rental zoning and free-standing transient rental regulations, many communities connecting [tourism and economic development](#) have a tendency to begin with minimal regulation and to add requirements on the basis of particular problems that arise. If the town becomes divided over the issue, however, of course the regulations are likely to be more strict and more creative.

Still other towns choose to ignore the issue that some residents or property owners rent out homes for a very short term, considering this practice to be the prerogative of the property owner.

Particularly in an unattractive real estate market, allowing short term rental zoning is probably not a bad idea, as long as the percentage of the housing stock devoted to this use is small. Our advice would be to require a stay of at least five days and preferably seven.

Otherwise, you have an absentee [bed and breakfast](#) situation. While some bed and breakfast apartments run themselves, it's best to require a meaningful stay if there is no on-premise owner or manager. This allows the neighbors to monitor the situation better. If new people can come in every night, neighbors will tend to shrug their shoulders about anything strange they see.

## AUSTIN TEXAS

Regulating short-term rentals a challenge nationwide

### Austin City Council could vote on rules next week

By Farzad Mashhood

It has taken two years filled with highly polarized debate, but the Austin City Council is poised next week to give final approval to a policy that allows commercial short-term rentals in neighborhoods. Groups fighting for and against the policy have been increasing online campaigns, media blitzes and protests in advance of the Aug. 2 council meeting. Two camps have emerged: Those who want tough restrictions say neighborhoods need protecting; the other side says the new policy should respect property rights and should not be so strict as to drive the industry underground.

Those arguments aren't unique to Austin. Industry experts estimate the United States has more than 3 million short-term rental properties, in large part because of the ease of listing and finding the hotel alternatives using Internet brokerage firms. In response to the trend, New York, San Francisco and Portland, Ore., banned the rentals completely. Maui, Hawaii, allowed them but imposed a limit of 400 properties and requires renters to pay a 9.25 percent hotel tax. In San Antonio and Austin, they have been completely unregulated.

"The regulations vary very widely," said Carl Shepherd, co-founder and chief strategy and development officer of Austin-based HomeAway Inc., which operates one of the most popular vacation rental websites. Shepherd said the company does not know every city's short-term rental rules but asks homeowners renting the property to affirm that they're complying with all laws.

Arguments in Austin have focused on the so-called commercial rentals — homes that are not typically occupied by their owners and are primarily used as rentals. In a study commissioned by the city, about 1,500 short-term rental properties were found, with a third of them in the 78704 ZIP code, which covers South Austin. The city auditor could find owner information for only 900 of the properties, and of those, more than a third were commercial short-term rentals.

The city's proposed regulations, given preliminary approval at the June 7 council meeting, would allow short-term commercial rentals but require all renters to register with the city and pay a 15 percent hotel tax. The rules also limit the number of short-term rentals to 3 percent of all houses in a ZIP code. The proposed rules do not apply to apartments, condominiums or other multifamily properties.

Neighborhood groups hoping for a complete ban on the rentals protested Saturday outside the headquarters of HomeAway and want the City Council to reverse course or at least tighten the restrictions. They complain that commercial rentals hollow out urban neighborhoods by replacing regular residents with temporary ones and are essentially businesses in a residential zone.

Joel Rasmussen, president of the Austin Rental Alliance, which represents renters and favors allowing rentals of homes not occupied by their owners, argues that an outright ban on residential rentals of less than 30 days isn't effective. Furthermore, he said, cities that do so lose out on hotel taxes they could be collecting.

"The way that it works in New York ... it's a no-tell. I call and say, 'I'm going to be in town for these eight days,' and they say, 'You have to stay 30 days. But if you leave earlier, then we'll refund you,'" Rasmussen said. Shepherd agreed that under bans, renters take their business underground. Instead, he said, cities should adopt simple rules.

Austin City Council Member Chris Riley, who favors the commercial rentals, said the ZIP code density limit might be too broad. Riley said he backs changing the rules to reduce clustering of commercial rentals in certain areas. Laura Morrison and Kathie Tovo, the only two council members who voted against allowing short-term rentals in last month's meeting, said they still want to ban them. But Tovo said she is working on amendments to Riley's proposal to tighten restrictions on the rentals. Even if the City Council approves a final set of rules, city staffers have asked to have at least until October to set up enforcement policies and fees for permits.

**In Portland, an enforcement team trolls the Internet to ferret out short-term rentals, and property owners are held to account for illegal rentals, said Mike Liefeld, that city's enforcement program manager.** Liefeld said that policing the Internet wipes out the possibility of an underground market. "You need to (advertise the rentals), and there are only so many ways to do that if you're booking a rental for people coming from out of town. It's not as if you can keep it going using word of mouth," Liefeld said. In Maui, city officials plan to hire two code enforcement officers to regulate short-term rentals.

Tom Nuckols, a member of the Barton Hills Neighborhood Association board, is against allowing the commercial rentals. But, the South Austin resident said, if the city allows them, officials need to commit to enforcing the rules and crack down on problematic rentals. Amanda Cribbs rents out a four-bedroom, two-bathroom house in Allandale in Central Austin for short periods. Cribbs is among those who say the rentals are a boon to the local economy and that there is plenty of incentive to make sure they get good renters: protecting their investment.

She said screening short-term renters is harder than running the several long-term rentals she has. But to her, it's worth it. She says she's never had any complaints from her neighbors. "I'm very strict on no parties, and I will say that a thousand times to people," Cribbs said. "I personally hung up all the window treatments and decorated the living room and picked the rugs. ... I don't want to see it trashed."



### **Important Update: May 28, 2013**

**Austin's Planning and Development Review Department** has drafted an ordinance amending current short-term rental (STR) regulations and creating new regulations for short-term rentals in multi-family structures. While ABoR supported the ordinance regulating single-family short-term rentals, the newly proposed multi-family regulations are overreaching and incongruent with existing single-family STR rules. ABoR is advocating for fair regulation that provides additional homeowner protections, such as the right to offer a bedroom as a short-term rental without a license, exclusion from random city inspections, and an exemption for multi-family homestead dwellings from the STR license cap. On May 23, the City Council postponed action on the STR amendments until Thursday, **August 8**.

Austin Board of REALTORS believes in preserving the character of Austin neighborhoods and protecting the quality of life of its residents. We also believe homeowners have a right to lease their homes, regardless of the length of the lease, with reasonable regulation.

In February, the Austin City Council passed a resolution to broaden the existing short-term rental rules to include licensing for apartments and condominium units that are rented for periods of less than 30 days. The resolution also calls for amendments to allow renting a portion of a home short term, with fines for unlicensed rentals totaling as much as \$2,000 per day. The change garnering the most discussion at the council's work session was a proposal to shift neighbor notification requirements from tradition mail to email. Though some council members expressed concern with the dependability of neighborhood email lists, others noted neighborhoods saturated with rentals tend to have robust contact lists.

The resolution comes in the midst of one of the biggest events for Austin's short-term rental market. Still, according to KXAN, as of February 28, a large number of property owners had not registered with the City. To date, only 76 Type 1 properties and about 120 Type 2 properties have received short-term rental licenses. The City's Code Compliance Department has hired additional staff specifically to investigate illegal STR activity. According to city staff, homeowners who advertise their homes for short-term rental without a license will be given a warning and instructions for obtaining a license. STR homeowners face misdemeanor citations and fines if they fail to comply. Details about STR rules and how to comply are featured below.

Emergency STR Rules (as of October 18)	Registration begins	Application requirements	Limit	License fees
<b>Type 1:</b> owner-occupied STR (rental of the entire dwelling unit)	October 1, 2012	Proof outstanding HOT paid, <i>if applicable</i>  Homestead designation  Proof of insurance  Certificate of Occupancy or proof of inspection  Owner contact info	none	\$235 annual licensing fee  \$50 notification fee
<b>Type 2:</b> non-owner occupied STR Operating prior to June 13, 2011 (rental of entire dwelling unit)	October 1, 2012	Proof of HOT paid for one year prior to 6.13.11  Proof of insurance  Certificate of Occupancy or proof of inspection  Owner's contact info and local contact info <i>if applicable</i>	No more than 3% of all single family residential units per census tract	\$235 annual licensing fee  \$50 notification fee
<b>Type 2:</b> non-owner occupied STR operating after June 13, 2011 (rental of entire dwelling unit)	January 1, 2013	Proof outstanding HOT paid, <i>if applicable</i>  Proof of insurance  Certificate of Occupancy or proof of inspection  Owner's contact info and local contact info <i>if applicable</i>		

Rules for all STR types: Operating license and STR information packet (provided by the City) placed in a visible common area inside of the property. // Payment of HOT to the state. // Licenses valid for 12 months

# WALL STREET JOURNAL

## Group Seeks Blueprint for Regulating Short-Term Rentals

By [CONOR DOUGHERTY](#) / [CONOR.DOUGHERTY@WSJ.COM](mailto:CONOR.DOUGHERTY@WSJ.COM)

February 25, 2013

Few issues have frayed neighborhoods like short-term rentals—when homeowners rent out their house for a few days or a week. In November, [the Journal wrote](#) about how several big companies in the short-term rental space were planning to create a coalition to try and head-off or guide cities' efforts to regulate, or even ban, the practice.

Now there are a few more details: This morning a group of four big short-term rental websites—Airbnb [HomeAway](#) [AWAY](#) -4.69%, TripAdvisor and FlipKey—announced they are starting the [Short Term Rental Advocacy Center](#). [The site will aggregate short-term-rental-friendly regulations from around the country in hopes of creating a legislative blueprint that cities can use to craft new short-term rental regulations. Short-term rental sites have said they are in favor of cities taxing short-term rentals much like cities and counties slap occupancy taxes on hotels and inns.](#) In the past, they have argued that cities that ban the practice are losing out on precious tax dollars. Not surprisingly, on the regulation front, the coalitions says it prefers a light touch. “We believe existing ‘good neighbor’ laws provide sufficient protection against any disruptive behavior on the part of long-term residents or their guests,” the group says in its press release.

Jay Karen wrote : We at the Professional Association of Innkeepers International (PAII) support the values put forth by this new advocacy group. We don't want to see any more Draconian laws, like the one in New York, which renders nearly all short-term rentals and B&Bs illegal in New York City. While the STR and B&B markets often find themselves in the same space with regard to competing against the larger hotel market and defending ourselves as choices beneficial to travelers and local communities, in the end we believe that fairness and safety should be the concerns of both property owners and local government. That being said, people need to realize there is a difference between the B&Bs and small inns being run as regulated, tax-paying licensed businesses and amateurs renting out a spare bedroom. Quite frankly, we are concerned about the safety and well-being of travelers staying in homes of people who are not in the primary business of providing lodging and therefore feel appropriate policies and safety standards make sense for STRs. Should the Short Term Rental Advocacy Center share in the mission of promoting equity in taxation, promotion of safety issues and adherence to laws, we're on their bandwagon. Jay Karen – President & CEO of PAII

Ok, I thought, I guess folks making a full time business out of it should pay hotel tax, but surely you're not going to go after individual hosts? I hadn't really grasped the depth of the potential problem until I read about what's happening San Francisco though.

According to reporting by the *Bay Guardian* and *El Tecolote*, AirBnB rentals are so lucrative in San Francisco that they are affecting the supply of apartments as units are pulled off the rental market and put into the easier-to-manage tourist market. Many are illegal sublets of rent controlled apartments. In others, rent controlled tenants are evicted not to make way for owners, but to make way for tourists. In a city that is already struggling with a wave of condo-conversion evictions, more evictions and loss of rental



units is a problem. (And it takes a rare thing to unite tenant and landlord advocates against it.)

Knowing the effects of an affordable housing shortage in an area like that, from homelessness and displacement to sprawl and grueling commutes: Ouch.

New York's situation is similar, plus a state law that bans the use of apartments for short-stay hotels, but instead of merely fretting over unapid taxes, it has tried to ban the service altogether. It's not really enforced though.

Meanwhile in San Francisco, AirBnB has been ordered to pay the city's transient occupancy tax (technically it is co-responsible with its hosts, but clearly it's the one with the ability to calculate and collect it) and is just point blank refusing to do so—not the kind of behavior we want to see out of a "sharing economy" company. (The Bay Guardian points out that some of AirBnB's competitors do collect the tax.)

I understand the company's argument that tourists who spend less on accommodations and who are staying in neighborhoods will spend more at local businesses, but would you really exempt a low-budget hotel chain that located in a neighborhood commercial district for the same reason? So lost municipal revenue, increased evictions, lost affordable housing; not something I actually want to side with.

Of course, the affordable housing angle is a complicated question when you involve the perspective of hosts, not just the company: many New Yorkers say AirBnB income from sharing their place of residence is giving them housing stability in a market that would otherwise have forced them out—something households have done through illegal longer term subletting from time immemorial. Renting a room as opposed to a whole apartment may be illegal subletting, but at least it doesn't remove rental units from the market.

I suppose one question is if you limited AirBnB to just those listings that cause less harm, would its business model survive? AirBnB and similar companies are clearly a disruptive technology that will require some renegotiated rules, tax applications, and enforcement mechanisms that try to strike a balance between all the various interests afoot. That's only going to work, though, if the company will negotiate and the cities have some leverage to make them. Has AirBnB affected the housing market where you are? Are you afraid it will?

I admit to the same ambivalence, having used AirBnB, but I am getting annoyed at AirBnB's "we are above the law" attitude. AirBnB guests could pay hotel taxes, I am willing to do that. You'd think that a company that claims to be all about "sharing" could do that.

There could be limits on the number of days per month, or per year, that an apartment could be rented out for overnight use. If an apartment owner wants to go over that limit, they'd need to get a permit as a bed and breakfast.